

**CITY OF MILPITAS**  
**MINUTES of: CITY COUNCIL (FINANCE) SUBCOMMITTEE**  
**Date/Time: Wednesday, May 7, 2014 – 3:00 p.m.**

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**I. CALL TO ORDER:** Vice Mayor Althea Polanski called the meeting to order at 3:00pm

**Attendance:**

City Council: Jose Esteves, Mayor  
Althea Polanski, Vice Mayor

Staff: Emma Karlen, Finance Director  
Steve McHarris, Planning & Neighborhood Services Director  
Keyvan Irannejad, Building Official  
Johnny Phan, Assistant City Attorney  
Felix Reliford, Principal Planner  
Jaime Chew, Recreation Services Supervisor  
Stephanie Douglas, Recreation Services Supervisor  
Dat Nguyen, Financial Analyst

**II. PUBLIC FORUM:** None

**III. APPROVAL of MINUTES:** The March 17, 2014 minutes were approved.

**IV. ITEMS FOR DISCUSSION**

**A. Fee Adjustments for the following departments/divisions**

**Finance Department**

**Building & Safety Department**

**Planning and Neighborhood Services Department**

**Recreation Services Department**

- Emma Karlen, Finance Director – Presented to the Finance Subcommittee Finance Department’s proposed adjustment to after-hour restoration of water services and returned check fees. Vice Mayor inquired how often residents request after hour services and Mayor asked whether we can give discounted rate to senior or handicap and suggested to raise the after hour restoration of disconnected water services rate to \$125. Emma responded that not many as people normally request restoration of services during business hour and just like water, we cannot charge different rate for senior or handicap.
- Steve McHarris, Planning & Neighborhood Services Director and Felix Reliford, Principal Planner – Presented Planning & Neighborhood Services Department’s proposed new Community Planning Fee and Private Job (PJ) deposits adjustment. Mayor asked how many years it would take to recover the anticipated cost for the General Plan update, when the next Plan update is and whether we can do ahead of time. Felix and Steve responded that it would take approximately eight years to recover the costs and suggested that the sooner the better. Emma indicated that we can work something out such as an advance from General Fund. Mayor suggested we could add a percentage to Planning

fees beside 5% of Building Permit fees as suggested. Johnny reminded that our planning fees structured differently as they are charged by the hour from PJ deposit so it would be difficult to put a percentage. Mayor and Vice Mayor suggested, if feasible, to include a percentage to hour rate. Steve indicated that General Plan update is a major undertaking and he would come back to the Council sometime in August with the process.

- Keyvan Irannejad, Building Official – Presented Building & Safety Department’s proposed fee adjustments. Mayor inquired about our fees comparing to smaller cities such as Gilroy and suggested we increase our fees to the lowest in the survey, Fremont. Keyvan indicated that Gilroy is in the high end and Emma reminded that we might run into legal problem if we increase more than our costs. Vice Mayor asked if we are looking at adjusting our fees yearly at the budget process and whether they would go up by the same percentage as the costs. Keyvan and Emma responded that we would adjust the fees base on the new hourly rate from cost allocation, such as if the costs were to go up by 5% then it would be justified to increase our fees by 5%.
- Jaime Chew and Stephanie Douglas, Recreation Services Supervisors – Presented Recreation Services Department’s proposed fee adjustments. Vice Mayor inquired why the non-profit discount rate for Community Center was not the same as the other facilities and the breakdown of resident/non-resident for the Milpitas Summer Day Camps. Jaime responded that lack of demand at the Community Center at the time could be the reason for steeper discount but now we want it to be equitable. As for Summer Day Camps, the breakdown is approximately 85/15 residents/non-residents. Vice Mayor asked whether we pay school for the classroom for After the Bell program and Mayor inquired if we are cost recovered. Jaime responded school currently not charging us for the classroom and we are cost recovered for direct costs but not indirect costs. Mayor asked how many years to accomplish the Sport Center’s proposed fee range and projected revenue increase on the presented proposed fee increases. Jaime replied it would be two to three years. On average, we have been reviewing our fees every three years. Emma indicated we would come back with the projected revenue increase from the proposed fee adjustments.

**ACTION:** Vice Mayor recommended that we bring to City Council for approval:

- Fee adjustments as staff recommended with the exception of the after-hour restoration of water services to \$125;
- Adjust Building and Planning related fees in the next three years based on the change of fully loaded hourly rates;
- Comprehensive fee adjustment in three years; and
- Fund General Plan Update with General Fund advance and backfill with 5% Building Permit fees.

## **V. OTHER BUSINESS**

None

## **VI. NEXT MEETING – To Be Determined**

## **VII. ADJOURNMENT**